

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 NEA-11 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /045 W

-----053002 150927Z /11

R 141000Z JUN 78

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 608

INFO AMEMBASSY BANGKOK

AMCONSUL HONG KONG

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E.O. 11652: N/A

TAGS: EAIR, XMB, CE

SUBJ: AIR CEYLON INTERNATIONAL

REF: COLOMBO 2631 (NOTAL)

1. THE ECON OFFICER WAS VISITED JUNE 14 BY ANDREAS C. HANSEN AND THEODORE PIASTUNOVICH OF WILTON INVESTMENT LIMITED WHICH HAS OFFICES IN BOTH BANGKOK AND HONG KONG. WILTON IS ONE OF THE FIRMS STILL IN THE RUNNING TO PROVIDE FINANCIAL AND MANAGEMENT ASSISTANCE TO A REJUVENATED AIR CEYLON. ACCORDING TO PIASTUNOVICH, THE COMPETITION HAS NARROWED TO THREE FIRMS IN ADDITION TO WILTON: BRITISH AIRWAYS, JAPAN AIRLINES, AND A CONSORTIUM OF AIR CANADA, ICELANDIC AIRWAYS, AND CARGO LUX.

2. WILTON'S PROPOSAL TO THE GOVERNMENT OF SRI LANKA INCLUDES THE USE OF TWO LEASED 707'S FOR THE FIRST TWO YEARS OF OPERATION. THEN, ASSUMING THE VOLUME OF TRAFFIC IS UP TO WILTON'S PROJECTIONS, TWO LOCKHEED 1011-500 TRISTARS WOULD BE ACQUIRED ON A LEASE/PURCHASE ARRANGEMENT. PIASTUNOVICH SAID WILTON HAS HAD PRELIMINARY DISCUSSIONS WITH LOCKHEED.

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3. IN ORDER TO WARRANT THE USE OF TRISTARS, WILTON HOPES TO EXPAND SRI LANKA'S AIR ROUTES AS FAR EAST AS HONOLULU. IN REVIEWING THE AIR TRANSPORT SERVICES AGREEMENT OF FEBRUARY 11, 1946, BETWEEN THE US AND THE UK, AND THE JANUARY 14, 1948 EXCHANGE OF NOTES AMENDING THE AGREEMENT, IT DOES NOT APPEAR THAT SRI LANKA HOLDS TRIFFIC RIGHTS TO THE US, ALTHOUGH THE US DOES HAVE RIGHTS TO SRI LANKA UNDER THE AMENDMENT. THE

EMBASSY WOULD APPRECIATE THE DEPARTMENT'S VIEWS ON THIS QUESTION.

4. THE EMBASSY WOULD ALSO APPRECIATE ANY INFORMATION BANGKOK AND HONG KONG COULD PROVIDE ON WILTON INVESTMENT LIMITED. THE FIRM LISTS OFFICES AT 1484 NEW PETCHBURI ROAD, BANGKOK, AND 12-14 WONG NAI CHUNG GAP ROAD-12B, HONG KONG. LEVIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MANAGEMENT, NEGOTIATIONS, AIRLINES
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978COLOMB02748
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780250-0036
Format: TEL
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780662/aaaacbdbk.tel
Line Count: 71
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 27a7bc89-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 COLOMBO 2631
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2363225
Secure: OPEN
Status: NATIVE
Subject: AIR CEYLON INTERNATIONAL
TAGS: EAIR, CE, XMB, AIR CEYLON INTERNATIONAL
To: STATE
Type: TE
vdkgvwkey: odbk://SAS/SAS.dbo.SAS_Docs/27a7bc89-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014